

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY		
0.07%	0.08%	\$1,922.30	\$44.47	1.02%	1.00%	1.29%	1.30%	83.95	98.42	109.10	11.92		
4,794.06	8,277.38	(per ounce)	(per barrel)	38,220.39	22,880.62	2,527.92	3,363.90	BUY TK	SELL TK	84.95	102.22	112.90	12.53

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Factory activity slumps by more than a quarter in April

Shows BBS data

REJAU KARIM BYRON

Manufacturing activity in Bangladesh dropped as much as 28.78 per cent in April from a month earlier, official figures showed, in a first glimpse of the major blow the coronavirus pandemic dished out to the economy.

It declined 25.57 per cent in April from a year earlier, according to the Quantum Index of medium and large-scale manufacturing industries, mining and electricity prepared by the Bangladesh Bureau of Statistics (BBS).

The manufacturing activity came to a screeching halt on 26 March after the government

was compelled to enforce a countrywide lockdown to curb the spread of the coronavirus.

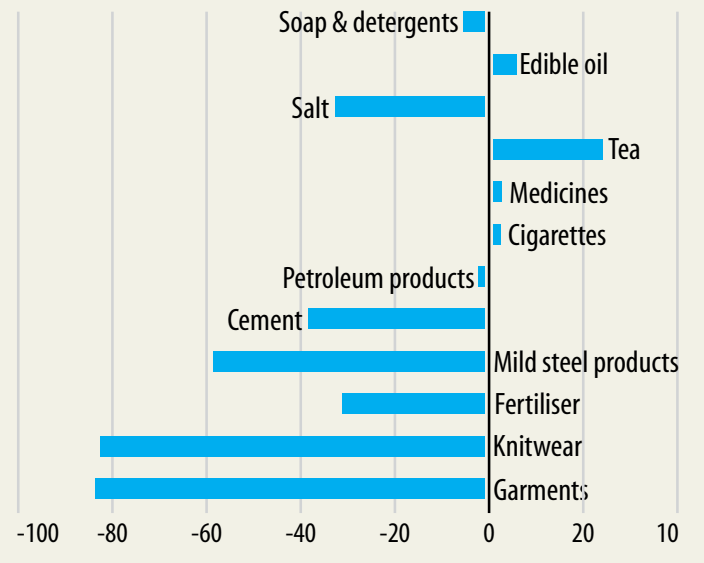
As a result, the general manufacturing production index dropped to 282.60 in April, from 396.85 in March this year and 379.71 in April last year.

"We are beginning to see the impact of the disruptions caused by the virus on manufacturing," said Zahid Hussain, a former lead economist of the World Bank's office in Dhaka.

To assess the movement of industrial production, data are collected from state-owned enterprises and major manufacturing enterprises in the private sector on a sample basis.

Change in production of items in April from March (in %)

SOURCE: BBS



Production data are collected in the first full month of the every month from a total of 965 sample industries. Knitwear manufacturing The production of woven plummeted 81.89 per cent. The garment slumped 82.79 per cent

more than 80 per cent of the country's export earnings. But export shipment plunged in April with the suspension of orders by international buyers after demand collapsed in developed markets.

Fertiliser production plunged 30.55 per cent to 41,763 tonnes in April from a month earlier.

Mild steel production slumped 57.86 per cent and cement production 37.57 per cent as construction activities were virtually on standstill. The lockdown slowed considerably the implementation of construction-intensive public investment projects.

Jute textile's production went down 9.73 per cent. Petroleum products saw a contraction of 1.5 per cent and salt manufacturing squeezed 31.86 per cent, BBS data showed.

Production activity, in general, suffered due to factory closures and disruption in inland connectivity, he said.

However, the production of woven garments, knitwear, fertiliser, cement, and iron and steel were significantly lower in April from a year earlier.

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10 more economic zones get the nod

PM calls for promoting small entrepreneurs

STAR BUSINESS REPORT

Bangladesh Economic Zones Authority (Beza) has approved setting up 10 more economic zones, taking the tally of such areas to 101, out of which work on 28 are currently underway.

The approval came at a virtual meeting of the Beza Governing Board yesterday with its chairperson, Prime Minister Sheikh Hasina, in the chair through videoconferencing from her Gono Bhaban residence.

The new zones are Nawabganj Economic Zone, Nawabganj; Tangail Economic Zone, Bhuapur; Sapahar Economic Zone, Sapahar, Naogaon; Dinajpur Economic Zone, Dinajpur Sadar; Noakhali Economic Zone, Companiganj; Sandwip Economic Zone, Chattogramme; Sunamganj Economic Zone, Chhatak, Sunamganj; Pabna Economic Zone, Bera, Pabna; Charmegha Economic Zone, Hijla, Barisal; and Manikganj Economic Zone, Shibalaya, Manikganj.

Beza officials said now they would conduct feasibility studies and start acquiring necessary land for setting up the zones.

Prime Minister Sheikh Hasina asked Beza to promote small entrepreneurs, particularly the young generation, alongside attracting foreign investment, reports the UNB.



"It (Beza) will have to work in a way so that foreign investment comes on one hand and local people can invest on the other, or we can promote small investors. That means we need to attract and promote our young generation."

The young generation should not only run after jobs as they could do something themselves such as taking up ventures.

"We will have to work keeping eyes on these." Hasina said the government was setting up special economic zones across the country to attract investment, create jobs and protect arable and forest lands.

"There's no doubt our economy is an agriculture-dependent one but we need industrialisation at the same time. Because, no country can make progress without industrialisation."

The premier said the government has been on all-out efforts to gear up industrialisation to create jobs, enhance production, raising the purchasing power of people, fulfilling local demands and boosting exports.

"While going for industrialisation, we have to keep it in mind that arable lands must be protected to ensure food security for the growing population in a small country like Bangladesh."

The prime minister said if 100 economic zones could be established as per the target of the government, poverty would be alleviated in the country, production and export income would increase and the foundation of the country's economy would be strengthened.

The meeting also decided to provide export subsidy or cash incentive at the same rate as non-economic zone companies to all categories of agro-processing industries established in economic zones focusing export.

The prime minister directed all agencies concerned to take immediate steps to formulate a comprehensive strategy and future action plan to attract investors to Bangladesh as part of the trend of global relocations in the wake of the Covid-19 pandemic.

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Inflation drops again

REJAU KARIM BYRON

Inflation fell 49 basis points to 5.53 per cent in July compared to a month earlier, led by the fall in food prices.

July's figure is also nine basis points lower than the headline inflation in the same month of the just-concluded fiscal year, data from the Bangladesh Bureau of Statistics (BBS) showed.

Food inflation declined 84 basis points to 5.7 per cent in the first month of the new fiscal year from a month earlier.

Non-food inflation nudged up six basis points to 5.28 per cent.

Two independent sets of commodities (goods and services) are used to compute the consumer

price indexes for rural and urban areas. The rural basket covers 318 items while the urban basket consists of 422 commodities.

The national CPI is calculated by combining urban and rural indices using weight factors.

BBS data showed the prices of all varieties of rice fell in July, partly because of adequate supply and fall in demand owing to the coronavirus pandemic.

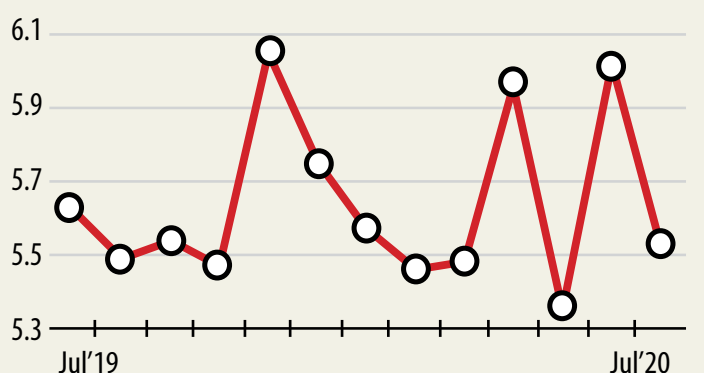
Pulses, local varieties of onion, garlic and ginger, sugar, salt, eggplants, lady's finger and papaya also saw a decrease in prices.

The prices of good quality potato went up.

Rural inflation decreased to 5.43 per cent, down 59 basis points from 6.02 per cent in June.

Inflation has been oscillating in recent months (in %)

SOURCE: BBS



Last month, food inflation in rural areas declined 80 basis points to 5.67 per cent and non-food inflation 20 basis points to 4.98 per cent.

In urban areas, overall inflation went down to 5.72 per cent in July compared with 6.03 per cent in June. Food inflation declined 96 basis points to 5.76 per cent whereas non-food inflation moved up to 5.68 per cent from 5.27 per cent in June.

Headline inflation decreased relative to June primarily due to a significant decrease in food inflation in both rural and urban areas, said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

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Agrani's customers can finally enjoy remote banking services after tie-up with bKash

MAHMUDUL HASAN

Amid all adversities, comes a piece of good news for more than one crore account holders of Agrani Bank who are yet to savour the delight of digital transactions since the state-owned bank has no online banking services for its customers.

The bank yesterday partnered with bKash, a leading mobile financial service provider, over a two-way instant fund transfer facility, paving the way for the bank's massive clientele spreading across the country to send money to their bKash accounts and vice versa.

With this public-private initiative, the services of the bank are going to reach the masses, said Finance Minister AHM Mustafa Kamal while inaugurating the service through an online event.

"Our country's reputation in mobile financial services (MFS) is recognised globally, and this new service will add another feather in the cap."

The government is working relentlessly to make the vision of Digital Bangladesh a reality, improve the living standards of people and patronise the banking and MFS sectors, he said.

Through the partnership, Agrani



becomes the first state-owned commercial bank to launch the two-way money transfer service. Currently, only two private banks --

City and Brac -- have such deals with bKash. Besides, customers of another 16 banks can transfer funds to their bKash accounts through their respective internet banking apps.

On the occasion of the launch of the new service, customers will get a Tk 100 cashback in bKash accounts for transferring more than Tk 500 from their bank accounts.

Through the service, customers can pay their electricity bills, make payments, top-up mobile phones, buy tickets, send money or pay instalments of their loan or deposit schemes.

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BSEC fines two stock brokers for bending rules

STAR BUSINESS REPORT

The stock market regulator has fined two stockbrokers of the Chittagong Stock Exchange (CSE) for breaching securities rules.

Based on the investigation by the port city bourse, Bangladesh Securities and Exchange Commission (BSEC) slapped a penalty of Tk 5 lakh and Tk 2 lakh on DN Securities and Firstlead Securities respectively.

The decisions came at a commission meeting chaired by its Chairman Shibli Rubayat Ul Islam at the BSEC office in Dhaka yesterday.

DN Securities did not send trading details to its customers regularly and did not preserve pay in slips, investigators found.

The stockbroker also utilised funds from its customers' accounts to apply for initial public offering in its own name.

The company received more than



Tk 5 lakh in cash from customers though it was supposed to take the funds in a cheque.

CSE found that Firstlead Securities did not prepare accounts book and other documents as per securities rules and allowed an authorised representative to trade in his own name.

By bending rules, the company

also kept a deficit in its consolidated customer bank account.

The company transferred funds from the accounts of customers to dealers' accounts and lent the money to its officials and directors.

In another development, BSEC has allowed Lub-rref (Bangladesh) to seek cut-off price to raise funds from the stock market.

To go for initial public offering through the book building method, a company needs to find a cut-off price, which comes after bidding among institutional investors.

Lub-rref will raise Tk 150 crore from the stock market and with the initial public offering proceeds the company will expand its business and repay loans.

The regulator also decided to take a host of measures to speed up fund-raising from the stock market and approved a work plan in this regard.

Bangladesh getting connected with Vietnam through sea route for the first time

New Bangladesh-China feeder launching tomorrow

DWAIPAYAN BARUA, from Chattogram

A new container shipping service between Chattogram and China will be launched tomorrow that will directly link Bangladesh to Vietnam on the sea route for the first time.

CNC Line, a concern of France-based shipping and logistics provider CMA CGM, and Hong Kong-based Shandong International Transportation Corporation (SITC) are jointly launching the new Bay Bengal Express 2 (BBX 2) service.

It will connect ports in China, Malaysia, Bangladesh, Singapore and Vietnam since the shipments onboard BBX 2 would also gain access to the global network of the CMA CGM from the transshipment hub, said Shaokatul Islam, chairman of FAMEFA Solution, local agent of SITC.



A vessel is scheduled to leave the Ningbo port of China tomorrow and it would take 13 days to reach Chattogram. On its way, it would connect with the Shanghai and Shekou ports in China and Port Klang in Malaysia.

On the return trip, the vessel will first go to Singapore and then

to the port in the Ho Chi Minh City of Vietnam before reaching its destination in Ningbo.

Vietnam would be a handy port of call for Bangladesh as cargoes sent to the US West Coast would reach the destination four or five days earlier.

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